



STATE OF MAINE
PUBLIC UTILITIES COMMISSION

101 Second Street, Hallowell, Maine 04347
18 State House Station
Augusta, Maine 04333-0018

MARK VANNOY
CHAIRMAN

DAVID LITTELL
COMMISSIONER

January 30, 2015

TO: All Water Utilities

SUBJECT: 2014 Annual Financial Report to the Public Utilities Commission

NOTE: IT IS THE RESPONSIBILITY OF THE WATER UTILITY TO ENSURE THAT THE PUC REPORT IS COMPLETED AND FILED ON TIME.

Annual Report/Revenue Due Date:

April 1, 2015

Extension Request Deadline:

March 27, 2015

Changes in Report: Addition of pages for GASB 67/68 and Summary of Pension/Post-Retirement Benefit Accounting. **Excel file required. Filing to be made through CMS.**

Source of Gross Revenues: Page W-3(a), line 3

Link to Electronic Copy of Report and Filing Instructions:

<http://www.maine.gov/mpuc/online/forms/AnnualReportForms.html>

Link to Filing Site:

<https://mpuc-cms.maine.gov/CQM.Custom.WebUI/UserLogin.aspx>

Title 35-A, section 504 requires that, within three months of closing its accounts each year, public utilities file a “balance sheet together with other information as the Commission may prescribe.” Chapter 610 of the Commission’s rules govern the water utility annual report filing and requires that on or before the following first day of April each water utility shall prepare a report, verified by an officer or owner, on forms furnished by the Commission, containing such information as the Commission shall prescribe. The information provided by these reports is used by the Commission and other entities for comparative analysis. In recent years, an increasing number of water utilities have submitted incomplete annual reports and thereby have not been in full compliance with Section 504. Such incomplete reporting undermines the usefulness to the Commission and

to others in the industry of information that is intended to be made publicly available through the annual report filing process. We therefore urge all utilities to complete the report in full.

Any request for an extension of the filing deadline must be in writing and must be sent to Lucretia Smith at the Commission by March 27, 2015. For this purpose, an email is acceptable (lucretia.smith@maine.gov). An extension of up to one month may be granted for filing the complete report. However, because the Commission must complete its annual assessment preparation, which requires use of operating revenue information, by May 1 of each year, companies must file revenue information by the April 1 deadline. Utilities with less than \$50,000 in gross revenues will not be assessed, but all utilities must report their revenues. All revenues must be reported using the Commission's CMS system.

The 2014 Annual Financial Report form is available on our web page under Forms and Applications (<http://www.maine.gov/mpuc/online/forms/AnnualReportForms.html>). Although we have, in the past, permitted water utilities and their consultants to use forms that they have themselves created, we will no longer accept reports in any format other than the Commission's official format found on our website. Further, utilities must file actual Excel spreadsheets. Please do not convert Excel files to a .pdf document prior to filing.

Please also note the addition of tab F-25, which requires reporting of Pension and Post-Retirement Benefits pursuant to GASB 67/68.

While we believe that it is beneficial for both the Commission and the utility to complete the PUC report in its entirety, the complete report is only required for utilities with annual gross revenues of greater than \$50,000. If you choose not to file a completed PUC report, by April 1, 2015, you must file the utilities gross revenues using the annual report module of Commission's CMS system.

Chapter 710 of our rules and regulations requires each public utility to have an audit or review of its accounts done by a qualified independent public accountant in accordance with generally accepted auditing standards. Effective November 21, 2011, the Chapter 710 audit requirement was modified for qualified small water utilities.¹ A copy of the auditor's report and the audited financial statements are due in accordance with the Chapter 710 guidelines. It is important that filings are made to meet the statutory deadlines. Beginning with the 2013 report, we required that the report be filed in Commission's CMS system, using the same tracking number the utility will be given when it files its PUC annual report.

The annual report filing is accomplished through the Commission's CMS system. **An Excel spreadsheet is required.** Paper copies are no longer required. The electronic

¹ Refer to Chapter 710 for details on these changes.
<http://www.state.me.us/mpuc/legislative/rules/part7-accounting.shtml>

version of the report should be uploaded to the CMS system. Instructions on this process are located at: <http://www.maine.gov/mpuc/online/AnnualFinancialReports.htm>

Any questions or comments regarding the annual report should be directed to Lucretia Smith by email at Lucretia.Smith@maine.gov or call me at (207) 287-3831. Thank you for your cooperation in this matter.

Sincerely,

/s/ Harry Lanphear

Harry Lanphear
Administrative Director